

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 215

BY STATE AFFAIRS COMMITTEE

AN ACT

RELATING TO THE TELECOMMUNICATIONS ACT OF 1988; AMENDING SECTION 62-610, IDAHO CODE, TO REVISE CERTAIN ELIGIBILITY REQUIREMENTS, TO PROVIDE A CODE REFERENCE, TO PROVIDE DISTRIBUTION FROM THE UNIVERSAL SERVICE FUND TO INDIVIDUAL ELIGIBLE TELECOMMUNICATIONS CARRIERS THAT MEET CERTAIN RESIDUAL REVENUE REQUIREMENTS, TO PROVIDE PURPOSES FOR DISTRIBUTIONS FROM THE FUND, TO PROVIDE DISTRIBUTIONS FROM THE FUND TO AN ELIGIBLE TELECOMMUNICATIONS CARRIER THAT MEETS CERTAIN REQUIREMENTS AND TO MAKE TECHNICAL CORRECTIONS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 62-610, Idaho Code, be, and the same is hereby amended to read as follows:

62-610. UNIVERSAL SERVICE FUND. (1) The commission shall establish a universal service fund (USF) for the purpose of maintaining the universal availability of local exchange service at reasonable rates and to promote the availability of message telecommunications service (MTS) at reasonably comparable prices throughout the state of Idaho.

(2) The USF shall be funded by imposing a statewide end user surcharge on local exchange service and MTS and WATS type services.

(a) The local exchange surcharge shall be a cents per line charge with a business-residential differential equal to the statewide average business-residential price ratio. Providers of local exchange service shall remit the local exchange surcharge revenues to the fund administrator on a monthly basis, unless less frequent remittances are authorized by order or rule of the commission.

(b) The MTS and WATS surcharge shall be recovered on a percentage basis through a surcharge applied to the monthly bill of each end user or by a cents per minute charge applied to the bills of all end users. Providers of MTS or WATS services shall remit the revenues derived from such surcharge to the fund administrator on a monthly basis, unless less frequent remittances are authorized by order or rule of the commission.

(c) The surcharges set forth in paragraphs (a) and (b) of this subsection shall be collected by all telephone corporations, including telephone corporations subject to the provisions of this chapter and mutual nonprofit and cooperative telephone corporations, providing the services upon which the surcharge is levied.

(3) Eligible telecommunications carriers that provide local exchange service and access service for MTS/WATS providers and that have state regulated rates for these respective services that meet both of the following criteria shall be eligible for distributions from the USF in accordance with the provisions of subsection (4) of this section:

(a) The eligible telecommunications carrier's average residence and business local exchange service rates for one-party single line service are in excess of one hundred ~~and~~ twenty-five percent (125%) of the weighted statewide average rates for residence and business local exchange service rates for one-party single line service respectively; and

(b) The eligible telecommunications carrier's average per minute charge for MTS/WATS access services it provides is in excess of one hundred percent (100%) of the weighted statewide average for the same or similar MTS/WATS access services.

(4) Distributions from the fund shall be available to the individual eligible telecommunications carrier in Idaho providing basic local exchange service to meet residual revenue requirements remaining after deducting the revenue generated by all intrastate telecommunication services, from the eligible telecommunications carrier's total intrastate telecommunication service revenue requirement as determined by the commission, including local exchange priced at one hundred twenty-five percent (125%) or more of the weighted statewide average and MTS/WATS access services priced at one hundred percent (100%) or more of the statewide average and contributions from the federal universal service fund. The commission shall provide, by order, for not less than seventy-five percent (75%) nor more than one hundred percent (100%) of the residual revenue requirement of the individual eligible telecommunications carrier to be funded by the universal service fund. The commission shall retain its authority to approve rate design consistent with this subsection, but notwithstanding such authority, the commission shall supply full funding for any commission determined revenue requirement. Distributions from the fund to individual eligible telecommunications carriers to meet residual revenue requirements, as set forth herein, shall be made monthly.

(5) Distributions from the fund shall be made available to provide the financial assistance necessary to enable the extension of facilities that the commission determines would be in the public interest and that are necessary to initiate basic local exchange service to residents within geographic support areas designated by the commission pursuant to section 62-610E, Idaho Code. Distributions from the fund pursuant to this subsection may be made to an eligible telecommunications carrier that:

(a) Is providing basic local exchange service within the geographic service area in which the geographic support area is located;

(b) Is not eligible to receive distributions from the fund pursuant to subsections (3) and (4) of this section; and

(c) Has entered into an agreement with the commission to extend the facilities necessary to initiate basic local exchange service to the geographical support area, which agreement shall provide for the construction and installation of such facilities for an amount not exceeding the actual cost of such line extension, less allowable customer credits against the cost of the line extension, as set forth in price or catalog lists filed with the commission by such eligible telecommunications carrier.

(6) The commission shall:

(a) Adopt rules for the implementation and administration of the universal service fund established in this section;

(b) Determine which telephone corporations meet the eligibility standards;

(c) Provide for the receipt and collection of the surcharge for the universal service fund; and

(d) Provide for the administration and distribution of the fund to eligible telecommunications carriers in a manner determined by the commission.

1 (67) "Local ~~E~~xchange ~~S~~ervice," as used in this section ~~62-610, Idaho Code~~, means the
2 provision of access lines to customers with the associated transmission of two-way interactive
3 switched voice communication within a local exchange area.